

## Republicans Vote Down Critical Amendment to Enhance National Security and Grow Technology Sector

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Washington, DC – {Last night, the House of Representatives voted down a critical amendment that would have enhanced national security and updated our nation's outdated export control regimes as it relates to high performance computers. By a vote of 207-217, the House rejected the bipartisan Dreier-Lofgren amendment, which would eliminate the statutory requirement that the president use the MTOPS metric to measure computer performance and control computer exports. This was a crucial vote for the growth of the technology sector and for our nation's economy.

The amendment would have provided the president the authority and flexibility to review the current MTOPS-based system and implement a more effective regulatory system in consultation with Congress. This is essential in order to ensure that America has a computer export control policy that effectively advances U.S. technological leadership and national security. Despite the fact that the Bush Administration requested this authority, 135 Republicans voted against the president. Less than 40 percent of the Republican caucus supported the amendment.

There is broad agreement that the current MTOPS-based system is broken. According to the Center for Strategic and International Studies, the MTOPS system is "ineffective" and "irrelevant," and the Defense Department and GAO agree that MTOPS-based controls are "obsolete." As a result, American companies are at a competitive disadvantage in the international marketplace, with no corresponding benefit to national security.

"I am both shocked and disappointed that 60 percent of House Republicans chose to defy President Bush by voting against this important amendment," said Rep. Zoe Lofgren (D-San Jose) a leader on export control policy and the author of the amendment. "Last night's vote made it perfectly clear that the majority of Republicans have no interest in the recovery of the tech economy. However, I am pleased in the strong show of support by House Democrats for modernizing our export control laws, and putting Silicon Valley back to work. This fight will continue, and I am confident we will be successful in the end."

"Make no mistake," said Rep. Adam Smith (D-Wash.), a leader on export control policy and a co-chair of the New Democrat Coalition, "a vote in favor of Dreier-Lofgren was a vote in support of national security. It was also a statement on who understands the global New Economy and who does not. There are a few votes through the course of the year that are defining votes; that demonstrate a real understanding of how technology is changing the world. This was clearly one of those votes. I'm proud that 72 percent of New Democrat Coalition supported this amendment."

Minority Whip Steny Hoyer (D-Md.) said "House Democrats provided the critical votes for this amendment. I am disappointed at the Republican failure to recognize the important role this provision would play in ensuring America's technological dominance."

Rep. Jane Harman, (D-Calif.) Ranking Democrat on the House Permanent Select Committee on Intelligence and chair of the New Democrat Coalition's Executive Council said, "the current export control regulations are outdated and poorly matched to the environment they are supposed to regulate. I'm disappointed that my colleagues passed on a chance to create an export control system that would be more effective for national security than the one we have today."

"It is clear that a majority of House Republicans still fail to understand the evolving technology sector and its relationship with national security," said Rep. Ellen Tauscher (D-Calif.), National Vice Chair of the Democratic Leadership Council and an active Member of the Armed Services Committee. "Even though the president requested the ability to modernize our export metrics, a Cold War mentality prevailed in his own party that will prevent American technology companies from competing in global markets. Clearly we still have some educating to do."

"Last night, the Republican majority failed to provide important leadership by turning its back on our country's technology

sector - Republicans chose to oppose a bill that would have guaranteed a continued high level of national security and a competitive edge for our tech industry. Instead, without enhancing our national security, they have undermined a sector of our economy that has been an engine for growth during these sluggish economic times," said House Democratic Caucus Chairman Bob Menendez (D-N.J.).

"Once again the majority failed to enact meaningful legislation that will help our ailing technology industry," said New Democrat Coalition co-chair Rep. Ron Kind (D-Wisc.). "This change in export policy would have helped U.S. computer manufacturers stay competitive in important foreign markets."

"It's a huge disappointment and a blow to the technology industry that the Dreier-Lofgren Amendment was defeated by those who favor Cold War era regulations that do nothing to protect our national security and old economy policies," said Rep. Anna Eshoo (D-Calif.). "Our own Defense Department has labeled the MTOPS standard 'irrelevant' and agreed it should be reformed. I will continue to work to see that this critical reform is successful."

Yesterday, the New Democrat Coalition, to which many of the above Members belong, released their fifth comprehensive technology policy agenda, "e-genda 2003." The document promotes policies to grow and expand the New Economy and to ensure that all Americans have the opportunity to succeed in it. In it, the New Democrats endorsed efforts to repeal the MTOPS provision stating that "resources generated by American exports fund the next generation of research and development, heightening our security and ensuring that our nation remains the world leader in technology. Congress must strike a balance that not only effectively controls the export of sensitive items, but that has a rational approach to determining which products can, and should, be made available for export." For more information on the New Democrat Coalition's e-genda 2003, visit [www.house.gov/adamsmith/NDC/ndc.html](http://www.house.gov/adamsmith/NDC/ndc.html).